November 25, 1989

Mr. Paul Buhanan P.O. Box 157 Cedar City, UT 84720

Dear Mr. Buhanan:

This letter is written to follow up on a letter we sent to you on October 20, 1989, concerning the status of your mining activity on the White Lady claims located in Millard County, Utah.

Since sending the letter to you, we have determined that the Millard County Road Department was responsible for the improvements made to the road which terminates at a cabin associated with your claims. We will, therefore, direct any further correspondence concerning this road to Millard County and not to you.

However, your claims are located within the Notch Peak Wilderness Study Area. Because they were located prior to October 21, 1976, you may have "grandfathered" rights. This means that you may continue your mining activity in the same manner and degree as was being conducted prior to October 21, 1976. In order to facilitate our determination of the extent of your right to develop your claims, I request that you either 1) call Philip Allard at (801) 743-6811 to discuss your mining activities or 2) send us a letter describing the present level of your activities, the past history of mining on your claims and your plans for future development.

Your rights will not be affected by a failure to respond to this request. However, should you fail to respond to this request, we will be forced to rely on what information is available to us concerning historic activity on the White Lady claim group. This may make the full development of the mineral deposit, if any, on your claim more complex.

Nothing in this letter will be construed as a determination of the validity or lack of validity of the subject mining claims.

Sincerely,

Dave Henderson Area Manager

PAllard:msc